



Indiana County Auditor's Conference

Budgeting & Protected Taxes

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Agenda

- 2014 Status Update
- 2015 Budgets
 - Timeline
 - Online Ads
 - County Reviews
 - Non-Binding Recommendations
 - Binding Adoption
- Pilot Program
- Protected Taxes



2014 Status Update



THANK YOU!!!



2015 Budgets



2015 Timeline

- March 31, 2014
 - Sales data submission to the Department's Data Division.
 - First step in the process is sales data must be compliant before a ratio study can be reviewed and approved.



2015 Timeline

- May 1, 2014
 - Recommended date for ratio study submission to the Department's Assessment Division.



2015 Timeline

- June 30, 2014
 - Settlement date for the May tax collections.
 - First six months' fund balances and operating results available.
 - Can start to complete the Current Year Financial Worksheet on Gateway.
- July 1, 2014
 - Deadline for roll and balance of gross assessed values from county assessor to county auditor.



2015 Timeline

- July 15, 2014
 - Redevelopment commissions must file a letter indicating any available TIF surplus.
 - TIF Passthrough
 - AV of TIF Released
- In advance of certification of net assessed values, county auditor prepares and submits TIF Neutralization worksheets to the Department.
 - Upon approval, be sure to apply the neutralization factor within your system.



2015 Timeline

- August 1, 2014
 - Deadline to submit 2014 pay 2015 net assessed values to the Department through Gateway.
 - Submission of NAVs generally determine the order in which a county's budget will be reviewed.



2015 Timeline

- August 1, 2014
 - Prior to submission, determine appropriate amount of AV withholding to provide sufficient “cushion” for deduction filings through the end of the year.
 - If you need to withhold more than 2% of net AV within any taxing district, you must submit a request to the Department prior to certification.



2015 Timeline

- September 2, 2014
 - Deadline for taxing units to submit necessary information to county council or city/town fiscal body for non-binding recommendation or binding adoption.
 - Submission expected to be done through Gateway.
 - It is the taxing unit's responsibility to submit this information by the deadline.



2015 Timeline

- September 13, 2014
 - Last day for first publication of proposed 2015 budget, levy, and notice to taxpayers of public hearing (Budget Form 3).
 - At least 10 days before public hearing.
 - For units subject to binding adoption, the appropriate fiscal body is responsible for the proper publication of the notice.



2015 Timeline

- **NEW THIS YEAR**
- September 13, 2014
 - In addition to submitting the Form 3 to the newspaper for publication, there is now also a statutory requirement that the Form 3 be submitted on Gateway with the same timing as the publication.
 - At least 10 days before the public hearing.



2015 Timeline

- September 20, 2014
 - Last day for second publication of proposed 2015 budget, levy, and notice to taxpayers of public hearing (Budget Form 3).
 - At least 3 days before public hearing and at least 7 days after first publication.



2015 Timeline

- October 1, 2014
 - Last day for county fiscal body to complete non-binding recommendations to taxing units on proposed 2015 budgets, levies, and tax rates.



2015 Timeline

- October 22, 2014
 - Last possible day for taxing units to hold a public hearing on the 2014 budget.
 - Must be held at least 10 days before the budget adoption.



2015 Timeline

- November 3, 2014
 - Last possible day for budget adoption.
- Submission of budget forms through Gateway must occur within 2 days after budget adoption.



Online Ads



Online Ads

- Online budget ads will allow taxpayers to access the Form 3 information at any time once submitted.
- The county unit will have an additional responsibility for publishing an ad that includes information about the change to online ads.
 - Webpage address for accessing information
 - Phone number that taxpayers can call to request Form 3s to be mailed to them.



Online Ads

- The Department will release additional information on this county responsibility shortly.
- In addition, the Department will be providing a “press kit” pertaining to online ads so taxing units can do their own outreach on this process as desired.
- This would be in addition to the outreach the Department will be doing.



County Review



Non-Binding Recommendations

- Taxing units included
 - Any taxing unit (other than the county unit) that is not subject to binding adoption of its proposed budgets and levy by an appropriate fiscal body.
 - Taxing units with elected fiscal bodies/boards.
 - Libraries with an appointed board where the growth in the proposed budget is less than the AVGQ.



Non-Binding Recommendations

- Information to be provided by taxing unit that proposes to levy a property tax in the ensuing year.
 - Proposed budget, levy, and tax rate for non-school units.
 - Proposed levy and tax rate for schools.



Non-Binding Recommendations

- County responsibilities – Non-School Units
 - Review the proposed budgets, levies, and tax rates for the taxing unit.
 - Must issue a recommendation regarding the taxing unit's proposed budgets, levies, or tax rates.
 - Must include comparison to Indiana AVGQ and the county's average increase in non-farm personal income for the preceding six years.
 - Must include comparison to increases in the budgets and tax levies of other taxing units in the county.



Non-Binding Recommendations

- County responsibilities – Schools
 - Review the proposed levies and tax rates for the school.
 - No recommendation is required.



Non-Binding Recommendations

- If the taxing unit fails to file the necessary information by September 2, the taxing unit will receive its most recent annual appropriations and tax levies.
- If the county council fails to perform both the review AND recommendation by October 1, the county will receive the most recent annual appropriations and tax levies.



Binding Adoption

- Units subject to binding adoption:
 - Taxing units with appointed boards (majority of board unelected).
 - Libraries with appointed boards with growth in the proposed budget which exceeds the AVGQ.
- Proposed budget and levy must be submitted to the appropriate fiscal body by September 2, 2014.
- Appropriate fiscal body is responsible for publishing the required notice of proposed budgets and levies and notice of public hearing, though taxing unit is responsible for paying for this notice.



Binding Adoption

- Appropriate fiscal body must conduct the public hearing for the taxing unit.
- Appropriate fiscal body must adopt the final budget and tax levy for the taxing unit.
 - Fiscal body may reduce or modify but not increase the proposed budget or tax levy.
- Appropriate fiscal body officer (county auditor in the case of county council) serves as the submitter of the budget forms through Gateway.
 - Email gateway@dlgf.in.gov to get submission rights if needed.



Pilot Program



SEA 517-2013

- SEA 517-2013 allows the Department to establish a three-year pilot program to improve the county council review process.
- Counties may apply to participate in the program.
- Up to three counties will be selected.
- The Department will conduct a more detailed review during the month of September to allow council to make more informed recommendations.



SEA 517-2013

- Participation in the pilot program will increase the amount of information that taxing units will be required to provide.
 - The county unit will also be required to provide additional information.
- Participation in the pilot program will also modify the budget calendar for units within participating counties.



Protected Taxes



Protected Taxes

- Protected taxes are being implemented in 2014.
- Protected taxes are taxes raised for debt-service funds.
- The goal of protected taxes is to ensure that a unit has sufficient revenue to be able to pay its debts when due.



Protected Taxes

- Debt service funds will not be subject to circuit breaker loss.
- The tax rate associated with debt service funds is included for the purposes of computing a unit's overall circuit breaker loss.
- NOTE: Over 65 Circuit Breaker is not included in the statements above. Debt service funds will experience a loss due to Over 65 circuit breaker credits if applicable.



Protected Taxes

- Total Unit Circuit Breaker Loss = \$100,000

Fund	Tax Rate	% of Total Tax Rate	Circuit Breaker Credits	% of Circuit Breaker Credits
General	\$0.5000	50%	\$66,667	67%
Reassessment	0.1000	10%	13,333	13%
Health	0.1500	15%	20,000	20%
Debt Service	0.2500	25%	0	0%
Total	\$1.0000		\$100,000	



Protected Taxes

- SEA 517-2013 included a provision that will allow a taxing unit to determine to which they would like to allocate the circuit breaker credits associated with the debt service fund.
- Additional information on the process to be followed to do this allocation will be forthcoming from the Department.



Contact the Department

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